



Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

**Legislative Analysis**

**Intergovernmental, Recreation and Cultural  
Affairs Committee**

Wednesday, December 14, 2005  
9:30 AM  
Commission Chamber

Charles Anderson, CPA  
Commission Auditor

111 NW First Street, Suite 1030  
Miami, Florida 33128  
305-375-4354

**Miami-Dade County Board of County Commissioners  
Office of the Commission Auditor**

**Legislative Analysis**

**Intergovernmental, Recreational and Cultural Affairs Committee  
Meeting Agenda**

Wednesday, December 14, 2005

Written analyses for the below listed items are attached for your consideration in this Legislative Analysis.

**Item Number(s)**

1F1 & Sub1F1	1F2, 1F3, 1F4, & 1F5
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If you require further analysis of these or any other agenda items, please contact Guillermo Cuadra, Chief Legislative Analyst, at (305) 375-5469.

Acknowledgements--Analyses prepared by:  
Troy D. Wallace, J.D., Legislative Analyst  
Doug Pile, Esq.

**LEGISLATIVE ANALYSIS**

***ITEM 1F1 &  
ITEM SUB 1F1***

*ORDINANCE PERTAINING TO PARK IMPACT FEE; AMENDING CHAPTER 33H OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA; UPDATING LAND AND IMPROVEMENT COSTS; MODIFYING DEFINITIONS, PARK IMPACT FEE SCHEDULE, CONTRIBUTIONS IN LIEU OF IMPACT FEE; PROVIDING FOR AUTOMATIC ADJUSTMENT OF FEE BASED ON CONSUMER PRICE INDEX AND OTHER CREDITS; PROVIDING ANNUAL PUBLIC COMMENT ON IMPACT FEE REPORT; PROVIDING APPLICABILITY; PROVIDING SEVERABILITY, INCLUSION IN THE CODE AND AN EFFECTIVE DATE*

Park and Recreational Department

**I. SUMMARY**

***ITEM 1F1:***

- The proposal represents a significant increase in the park impact fee, which must be paid before a residential building permit is issued in an unincorporated area.
- The proposal requires the Manager to periodically adjust the park impact fee according to the Consumer Price Index (CPI), which becomes effective on October 1 of each year, unless otherwise directed by the Commission.
- The initial fee adjustment applies to FY2006-2007, with a phase-in of 3 years.
- The Manager must conduct a public meeting to present a financial and management report on the park impact fee and to receive public comment.
- An Administrative fee is used to offset the costs taken on by the County associated with credits, contributions, suitability, and administration of the Ordinance.
- The amount of Park Impact Fees collected on an average single family detached residence today is \$1,173 (the same as 1994). The new Park Impact Fee being proposed by Item 1F1 for collection would provide a fee of \$2,613, an increase of 123%.

***ITEM SUB 1F1:***

*In addition to the elements provided above, Substitute 1F1 addresses:*

- An adjustment in the fee schedule allowing for a reduction in the Administrative fees from the current 7.5% to 5%.
- The formula (or calculation) necessary to determine the tax credit. (The credit is currently \$304 per dwelling unit which, is based solely on the existing Safe Neighborhood Parks bond.) The new calculation allows the credit to reflect additional debt service generated by the 2004 General Obligation Bond (GOB).

**IRCAC ITEM 1F1 and Sub 1F1  
December 14, 2005**

- A County Committee to evaluate additional cost savings by reducing fees.
- A public review provided by an annual impact fee report.
- A new Park Impact Fee of \$2,551, an increase of 117% from the current rate(s).

**II. PRESENT SITUATION**

Chapter 33H of the Code relates to the Park Impact Fee Ordinance, which applies only to the development of property for residential use located within the boundaries of the unincorporated area of the County. The purpose is to “require that future residential growth contribute its fair share to the cost of additions and improvements to the County's public park system in amounts reasonably anticipated to offset the impacts and demands generated by such growth.”

The Manager periodically reviews the park impact fee ordinance and manual, and makes recommendations for revisions to the Commission. The Commission has not revised the schedules of fees or related tables since 1994. Due to Park Impact Fees not being adjusted since 1994, the current fees do not reflect the precise costs associated with providing park services to residents of unincorporated Miami-Dade County. The amount of Park Impact Fees collected on an average single family detached residence today is \$1,173 (the same as 1994).

The park impact fee schedule is comprised of the combined park open space fee and the park improvement fee, based on a per dwelling unit. Based on greater population density per unit, the fees for single-family detached dwellings are highest, single family attached dwellings are less, and multi-family dwellings are the lowest per unit.

The feepayer may request the Director of the Park and Recreation Department to determine if a feepayer can get credit for improvements to a local park or pay park improvement fees, or a combination. The Director has 30 days to make a determination.

Each feepayer shall pay an administrative fee of 7.5% in addition to the park impact fee.

**III. POLICY CHANGE AND IMPLICATION**

The proposal represents a significant increase in the Park Impact Fee(s), for all types of dwelling units, which must be paid before a residential building permit is issued in an unincorporated area. The new Park Impact Fee being proposed by Item 1F1 for collection would provide a fee of \$2,613 (an increase of 123%) and Item Sub 1F1 provides a fee of \$2,551 (an increase of 117%).

The proposal requires the Manager to periodically adjust the impact fee schedule, the open space costs table and the improvement costs table, according to changes in the Consumer Price Index. The park impact fee will also be periodically adjusted to reflect

**IRCAC ITEM 1F1 and Sub 1F1**  
**December 14, 2005**

changes in the tax credit for park capital improvements. Unless otherwise directed by the Commission, these adjustments will be effective on October 1 of each year.

The initial adjustments apply to the FY 2006-2007 County budget, with a phase-in of three years (60%, 80%, and 100%). The adjusted impact fee schedule will be kept on file with the Department of Planning and Zoning, Impact Fee Administration Office, so that those seeking to pull a permit will know the proper fee.

Within 120 days of the end of a fiscal year, the Office of Capital Improvements must submit a financial and management report to the Manager on the park impact fee trust funds. The Manager must conduct a public meeting to present a financial and management report on the park impact fee and to receive public comment on the report and the program. The Manager must then report to the Commission and advise it of recommended changes.

Projects involving less than 50 residential units or less must pay the park improvement fee, and cannot request a determination regarding credits for improvements to local parks. Projects involving 50 or more can still request such a determination.

The proposal also makes several technical changes to the section on definitions.

#### **IV. ECONOMIC IMPACT**

According to the Impact Fee Office, the annual amount collected for the park impact fee is \$8.1 million per year. The proposal for Item 1F1 would increase revenues to \$15.5 million per year (increased revenues associated with Item Sub 1F1 was not provided). Due to the incorporation of new municipalities, the area subject to the fee decreases, and therefore total revenue would not increase in the same proportion as the increase in fees.

The adjustment for CPI may not accurately reflect the specific cost factors in providing park services (the purchase of open space, and the itemized breakdown of improvement costs). Given the sharp increase in real estate values in Miami-Dade County, the CPI will likely underestimate the increases in specific cost factors.

#### **V. COMMENTS**

The proposal requires the Manager to periodically adjust the park impact fee *ordinance* and manual. Under the County Charter, the Commission cannot delegate to the Manager, or other entity, the power to amend an ordinance. Therefore, the ordinance itself will not change until amended by the Commission. However, since the proposal does not provide any discretion in the periodic adjustment of the fee schedule and tables, the Commission can delegate to the Manager the *ministerial duty* of making these adjustments.

**IRCAC ITEM 1F1 and Sub 1F1**  
**December 14, 2005**

In 33H-4(h)(5), the proposal provides for a periodic adjustment of the amount of the tax credit for the local park open space monetary fee, as found in 33H-6(a)(1). The formula for the fee has the amount reduced by crediting ad valorem taxes paid for capital expansion of local parks. Though phrased differently, this is intended to be the same amount described as credit for outstanding debt from General Obligation Bonds for park capital projects.

The proposal does not provide for a periodic adjustment of population density in new Table 2 (for persons per dwelling unit). Currently the population density “shall be in accordance with the latest available census data.” Such data is not annually revised by the U.S. Census Bureau, so the proposal reflects data from the 2000 decennial census.

**V. QUESTIONS**

- What are the increased revenues associated with Item Sub 1F1?

**LEGISLATIVE ANALYSIS**

***FOUR RESOLUTIONS AUTHORIZING HISTORIC PRESERVATION AD VALOREM EXEMPTIONS FOR:***

***ITEM 1F2: 501 ALHAMBRA CIRCLE, CORAL GABLES***

***ITEM 1F3: 1424 SAN BENITO, CORAL GABLES***

***ITEM 1F4: 825 & 835 WASHINGTON AVENUE, MIAMI BEACH***

***ITEM 1F5: 832 ALHAMBRA CIRCLE, CORAL GABLES***

County Manager

**I. SUMMARY**

The four resolutions authorize ad valorem tax exemptions for the rehabilitation of four properties in Miami-Dade County, three in Coral Gables and one in Miami Beach. The total tax revenue forgone from the increased value of the improvements would be \$18,177.

**II. PRESENT SITUATION**

According to the Property Appraiser, as of June 2005, there were 95 folios with historical preservation exemptions (this includes 57 condominium units). The taxable value for the folios is \$20,117,346, with total tax revenue forgone of \$154,401 (\$120,080 to the County and \$34,321 to Coral Gables).

**III. POLICY CHANGE AND IMPLICATION**

The resolutions continue the County's policy of encouraging historic preservation, as expressed in Ordinance 16A-18, since 1993. The total tax revenue forgone from the increased value of the improvements would be \$18,177.

**IV. ECONOMIC IMPACT**

The ad valorem tax exemption acts as an incentive to property owners to rehabilitate their historic properties, which may otherwise further deteriorate beyond the point of rehabilitation. This increases the value of the historic properties for later taxation and properties nearby may also increase in value.

**V. COMMENTS AND QUESTIONS**

N/A

**IRCAC ITEM 1F2, 1F3, 1F4, and 1F5**  
**December 14, 2005**